

OCT 21 2019

MARK L. HATCHER, CLERK  
OF THE BANKRUPTCY COURT

District Court of the United States for the Western District of Washington  
Bankruptcy Unit

In re

CAROL L. ENGEN,  
Debtor

Carol Lynn McMeel,  
Cross-Claimant

STATE OF WASHINGTON, KING COUNTY,  
UNITED STATES, INTERNAL REVENUE  
SERVICE,  
Trustees Ex Maleficio

Chapter 13

No 18-12259-TWD

**CROSS-CLAIM (dkt. no. 72)**  
**SUPPLEMENT:**

**PROOF OF CLAIM**

Cross-Claimant Carol Lynn McMeel, hereinafter "McMeel," is a party in interest and, in accordance with Fed. R. Bankr. P. 5005(a)(1), files this 11 U.S.C. § 501(a) Proof of Claim pursuant to Fed. R. Bankr. P. 3002(a), a pre and post-petition *equitable claim* as the rightful owner of all goods and chattels held by the alleged DEBTOR's estate, 11 U.S.C. § 541. This claim is not new and exists under non-bankruptcy law in equity, there being no adequate remedy in law. The amount of the claim, unknown at this time, requires the court to order the custodian to account for the value of the estate. This Proof of Claim supplements the Cross-Claim (dkt. no. 72), restated and fully incorporated herein.

**I. EXCEPTIONS TO STATUTORY BAR DATE.**

11 This Claim may be subject to statutory bar date of August 15, 2018, Fed. R. Bankr. P. 3002(c). McMeel claims exception to said date as follows

1 a) McMeel claims she attempted to meet the deadline on August 1, 2018 but was denied this  
2 opportunity by DEBTOR's first counsel of record who refused to file her verified claim before  
3 the deadline

4 b) McMeel claims both DEBTOR's counsels of record filed a plan that failed to include the  
5 DEBTOR's counterclaims against the United States, Internal Revenue Service ("IRS") and King  
6 County. This oversight resulted in a defective and incomplete confirmed plan which fails to list  
7 all creditors, debtors, assets and accounts receivable, many of which were discovered post-  
8 confirmation. The current plan, especially destructive of McMeel's rights, requires extensive  
9 modification, if the need for the DEBTOR to remain in bankruptcy still exists after all estate  
10 property is brought into court and made of record, Fed R. Bankr P 3002(c)(6)

11 c) Exception is also claimed pursuant to Fed R. Bankr P 3002 (c)(4) as McMeel's claim arises  
12 (in part) from the rejection of an executory contract.

13 d) McMeel alleges ownership of a priority lien that secures a claim against the entire bankruptcy  
14 estate that is not void due to failure to timely file a proof of claim, Fed R. Bankr. P 3002(a).

15 e). Because the record contains no sustained objection to McMeel's claim, it is allowed, 11  
16 U.S.C. § 502(A)

17 1.2 Upon all of the above, and in the interests of justice, including the Court's duty to hear all  
18 claims, Congress has provided the Court may set aside the bar date for this Claim

19 **II. MCMEEL'S RELATIONSHIP TO THE DEBTOR CLARIFIED.**

20 2.1 There appears to be confusion on the part of the United States and the Chapter 13 Trustee as  
21 to the purpose of the Cross-Claim and McMeel's relationship to the alleged DEBTOR, which was  
22 explained in the annexed Verified Claim of Interest ("VCOI") Carol Lynn McMeel and CAROL L  
23 ENGEN *are not the same person in the law* McMeel is a woman, considered a natural person in the law,  
24 and inhabitant of the Washington republic whose existence and birthright give her a relationship to the  
25  
26

1 Constitution of the United States ("Constitution") (We the People) and whose rights are protected  
2 thereunder, CAROL L ENGEN is an artificial person and trust which is presumed to be a "U S. citizen"  
3 of the District of Columbia. The undisputed VCOI alleges, upon information and belief, that the  
4 DEBTOR was created by the United States for multiple self-serving purposes, one of which is that when  
5 McMeel uses CAROL L ENGEN for any transaction, she is falsely presumed to be a "U S. citizen" of  
6 diminished capacity who has waived the organic and supreme laws. Nothing could be further from the  
7 truth Upon this Notice and Special Objection to any false presumptions regarding McMeel's status,  
8 any person who knowingly attempts to attach a diminished or any other status to McMeel, is guilty of  
9 trespass, an injury of her person and invasion of her rights, "The right of the people to be secure in their  
10 persons.. " With no testimony or evidence of record disputing McMeel's self-proclaimed status in  
11 relation to the DEBTOR and the Constitution and laws made thereunder, is a fact for what it has been  
12 sworn to, not what any self-serving wrongdoer falsely presumes it to be.  
13

14       **2.2 Should any person, including this Court, dispute McMeel's self proclaimed status, that**  
15 **person shall appear in court and show cause which section of the Constitution authorizes a power**  
16 **(authority of the people) which could support statutory authority for any person within one of the**  
17 **three branches of government to change or alter the person of the people which is the pre-existent**  
18 **authority to create the Constitution.**

19       2.3 With regards to the alleged DEBTOR, Title 11 vaguely defines it as a "person" or  
20 "municipality" (11 U S C. § 101(13)), there being no articles of incorporation on the record, the  
21 DEBTOR is not a municipality The DEBTOR appears to be a corporation since the historical  
22 background of bankruptcy in this country reveals it was intended to allow businesses, *not people*, to be  
23 rehabilitated in order that they could continue to operate *in commerce* Title 11 indicates that a  
24 corporation includes an unincorporated company or *association*, 11 U S C. § 101(9)(A)(iv) It is a fact  
25 the DEBTOR is not incorporated but it is reasonable to infer that Title 11 classifies it as an  
26

1 unincorporated company created for a "special purpose" by the United States. Legal dictionaries reveal  
2 that an "association" is the act of a number of *persons* uniting together for some *special purpose or*  
3 *business*, the persons so joining. See 21 above. Apparently McMeel and the person of the DEBTOR, a  
4 corporation, are presumed to be joined together in association for a *special purpose or business*,  
5 hereinafter "the Association."

6 24 Therefore, going forward, upon information and belief McMeel will be acting on behalf of  
7 the Association in the person of the DEBTOR since the Court, the United States and the Chapter 13  
8 Trustee refuse to recognize McMeel in her proper person, a trespass. Said act is of necessity and does not  
9 operate to prejudice or waive any of McMeel's substantive or other secured rights.

10 **III. IRS STATUTORY TAX LIENS - SUBSTANCE OVER FORM.**

11 3.1 The IRS claims statutory tax liens against the bankruptcy estate. The VCOI alludes to an  
12 undisclosed contractual relationship not of record between the alleged DEBTOR, the United States and  
13 the Federal Reserve banking cartel. McMeel in her proper person is not an express party thereto but  
14 rescinded any presumed contracts, agreements or pledges which may have attached to her *by way of the*  
15 *DEBTOR or by any other mechanism in this regard*. Said rescission operates to extract the person of the  
16 DEBTOR as well from any such relationship.

17 3.2 The VCOI does not expressly mention the IRS but it should have. Upon information and  
18 belief, the IRS interjects itself between the people and the United States *allegedly* with regards to "tax"  
19 collection. But that is not its true function. Taxes are constitutionally authorized involuntary exactions  
20 for the support of the government. The United States has never demanded a tax from the Association.  
21 The IRS is not collecting internal revenue, as a condition precedent the government is constitutionally  
22 required to issue lawful money before any demands for tax payments can be made. The IRS collects  
23 interest payments which both the IRS and Congress falsely advertise as "taxes".  
24  
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3 3 Upon information and belief, the United States government can only accept constitutional  
1 money for a domestic tax obligation For example, the government cannot accept German marks to pay  
2 United States taxes; the foreign currency must be converted into dollars Unfortunately there are no  
3 "dollars, lawful money of the United States" in general circulation with which to convert foreign money  
4 into. Since lawful money was removed from circulation people are "compensated" for their labor in non-  
5 domestic negotiable instruments or bank credits, not the money of account of the United States, which is  
6 not dispensed directly to them, but to the legal fiction person created by the United States In this instant  
7 case it would be the alleged DEBTOR, CAROL L ENGEN, a legal fiction. The people then, through the  
8 legal fiction created by the United States, yearly transfer a percentage of this "compensation" to the IRS,  
9 not the United States, believing they are extinguishing a government tax obligation Because the  
10 "payment" was made in foreign "money," the *origin* of the money has to be obscured before it gets to the  
11 United States which is why it is routed first through the legal fiction, then through the IRS The function  
12 of the IRS is to "launder" the payment by internally processing and transforming it from a "tax" (form)  
13 into a "gift" (**substance**). The United States then accepts the transfer from the IRS as a "gift"  
14 (**substance**) not a "tax" (**form**) The IRS is not the only "money launderer" involved in this process.  
15 Another layer of protection is provided by Congress in order to further obscure the origin and character of  
16 the property transferred via a statutory scheme that operates to buffer the United States whenever a "tax"  
17 "payment" hits its accounts Thanks to Congress the United States can accept the transfer of "**Federal**  
18 **income, estate, and gift taxes as a gift or bequest** to or for the use of the United States;" substance  
19 over form. The executive branch can then point to a statute and state with full authority and a straight  
20 face that they did not receive contraband, they received a gift This racketeering operation allows the  
21 United States to avoid the pitfalls of a) directly receiving a tax payment denominated in unconstitutional  
22 private Federal Reserve notes or bank credits, and b) demanding the constitutionally impossible from the  
23 people when it was the United States that repudiated a constitutional obligation that created the  
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impossibility in the first place **AUTHORITY:** See Internal Revenue Manual 6209 All forms W-2, W-  
1  
4 and 1099 are tax class 5 forms, Subtitle B - Gift and Estate Taxes, not Subtitle A – Income Taxes. See  
2  
31 U.S.C. § 321(d)(2) “For purposes of the Federal income, estate, and gift taxes, property accepted  
4 under paragraph (1) shall be considered as a gift or bequest to or for the use of the United States;” 15  
5 U.S.C. § 1523 “For the purpose of Federal income, estate, and gift taxes, property accepted under section  
6 1522 of this title shall be considered as a gift or bequest to or for the use of the United States;” Title  
7 26 Subtitle A Income Taxes 26 U.S.C. § 170(c) **“Charitable contribution defined** For purposes of this  
8 section, the term “charitable contribution” means a contribution or gift to or for the use of— (1)  
9 A State, a possession of the United States, or any political subdivision of any of the foregoing, or  
10 the **United States or the District of Columbia, but only if the contribution or gift is made for**  
11 **exclusively public purposes**”

3 4 The Constitution authorizes the national government to issue lawful money into circulation  
13 and the people are required to pay taxes directly to the government to support its operations; it is also  
14 authorized to borrow Money, not private credit Upon information and belief there is no express  
15 constitutional authority for the government to exchange the public credit for private credit, label the  
16 exchange “money, foist it upon the people and tax them on the result of the unconstitutional exchange.  
17 The act of borrowing from the Federal Reserve alters the capacity of the United States. When the United  
18 States “enters the markets of the world and becomes a borrower, she lays aside her sovereignty and takes  
19 upon herself the position of an individual, and is bound accordingly.” *Anton v. Greenhow*, 107 U.S.  
20 769, 795 (1882) (Field J., dissenting), Accord, *Hall v. Wisconsin*, 103 U.S. 5, 11 (1880), as a commercial  
21 trader engaged in transactions involving negotiable instruments sovereign capacity is also set aside by the  
22 United States (*Clearfield Trust Co. v. U.S.*, 318 U.S. 363 (1943)). In propriety capacity, the United States  
23 is not constitutionally authorized to demand taxes from the people This legal incapacity is another  
24 reason why third parties are involved in laundering the ill gotten gains. This allows the United States to  
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26

27  
28 CROSS-CLAIM SUPPLEMENT – PROOF OF CLAIM  
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Carol Lynn McMeel  
16423 NE 15<sup>th</sup> St  
Bellevue, Washington [98008]  
United States of America

1       allege clean hands since it did not make the demand for an unconstitutional “tax payment.” However, in  
2       spite of statutes claiming the IRS is a “governmental unit” there is a flip side to this designation; all  
3       governmental units inherit the same legal incapacity as the United States heretofore described, said  
4       incapacity having other ramifications which are outside the scope of this claim which shouldn’t take a  
5       genius to figure out. That might be a problem for the IRS if in fact *what* they were collecting was actually  
6       *internal revenue (form)* instead of *compelled gifts (substance)* Upon these facts it is reasonable to  
7       conclude that the “*statutory tax liens*” (*form*) lodged against the bankruptcy estate are in fact “*gift-  
8       bequest liens*” (*substance*), substance over form. Should any person dispute this conclusion, that  
9       person shall appear in court and show cause which section of the Constitution compels McMeel to  
10      donate a portion of her property to any other person every single year.

11           3 5 Upon information and belief since Congress has seen fit to enact a statutory scheme to  
12       legalize unconstitutional acts, why does the IRS need internal procedures that instruct agents to process  
13       the “taxes” as “gifts or bequests?” For the same nefarious reason Congress passed the above *conversion  
14       statutes* It is for the express protection of each individual middleman who can, if needed, point to an  
15       official procedure as a defense and declare that he or she did not process a government tax, but merely  
16       followed procedure and processed a gift or bequest from a citizen for the use of the United States  
17

18           3 6 Upon information and belief the actual use the United States makes of these “gifts or  
19       bequests” (*form*) is to make contractual “interest payments” (*substance*) on loans received from the  
20       Federal Reserve, and also on public debt The people, therefore, are unknowingly transferring their  
21       property in the form of negotiable instruments and bank credits by way of the **LEGAL FICTION**,  
22       presumably attached to them commercially (CAROL L ENGEN), to the IRS and ultimately to the Federal  
23       Reserve stockholders with whom the people have no contract, but who require interest payments from the  
24       United States having put the United States into involuntary bankruptcy for non-payment The **true  
25       function and purpose of the IRS**, and a reason why IRS employees’ true names are never revealed, is  
26

1 that they are an agent for the principal creditor, the Federal Reserve, *acting in capacity as a receiver in*  
2 *bankruptcy*

3 "Grace Commission IP0281G" January 12, 1984, The Grace Commission, Congressional  
4 Research Service – The Library of Congress, found that **100 percent of all income taxes**  
5 **collected are absorbed solely on interest on the Federal debt and by Federal**  
6 **Government contributions to transfer payments.**

7 "I want to show you where the people are being imposed upon section 16 of the Federal  
8 Reserve Act provides that whenever the Government of the United States issues and  
9 delivers . Federal Reserve notes, which are based on the credit of the Nation--they  
represent a mortgage upon your home and my home, and upon all the property of all the  
people of the Nation--to the **Federal Reserve agent, an interest charge shall be**  
10 **collected for the Government**" Congressional Record, Congressman Wright Patman,  
11 March 13, 1933.

12 Therefore, the so-called "*statutory tax liens*" (form) claimed by the IRS against the bankruptcy estate are  
13 in fact "*interest liens*" (substance), substance over form.

14 3 7 The "Federal Reserve agent" referred to above is the IRS, Congress and anybody else who  
15 aids and abets this unconstitutional extraction of property from the American people. In order to conceal  
16 these facts from the public, who would likely cease and desist from sending in any more "gifts" if they  
17 learned the truth, Title 26 has intentionally been made huge and incomprehensible by the average person.

18 "The Internal Revenue Code requires employers to **withhold income taxes** from their  
19 employees' wages For this purpose, **wages** are defined by section 3401(a) of the Internal  
Revenue Code as "**all remuneration** . for services performed by an employee for  
his employer" *In re Amoskeag Bank Shares, Inc* , 239 B.R. 653 (1998)

20 "Wages" as "remuneration" which is defined as a **reward** or **recompense** (*Bouvier's Law Dictionary*,  
21 1914), is not money for services rendered A reward is "**the offer of recompense** given by authority of  
22 law for the performance of some act for the **public good**, which, when the act has been performed, is to  
23 be paid The recompense actually so paid its acceptance and performance create a valid contract . "

24 *Bouvier's Law Dictionary*, 1914 Title 26 reveals that these "taxes" are really "charitable contributions"  
25 for the use of the United States if and only if the contribution is made exclusively for "public purposes."  
26 Employers offer their laborers "rewards" in the form of private Federal Reserve notes or bank credits

1 instead of money because that is all Congress has made publicly available When a laborer accepts the  
2 offer, he becomes entrapped into “**performance of some act for the public good**” which “**creates a**  
3 **valid contract**” What is the “act for the public good” under contract the laborer agrees to perform when  
4 he accepts the offer? He or she unknowingly “agrees” to:

5 a). Be a surety for the United States by sending a portion of the reward (**interest payment**) to the  
6 receiver in bankruptcy once each year, and  
7 b) Allow the principal creditor to siphon off a portion of his or her reward before he or she ever  
receives it (**inflation**), and  
8 c). Act as surety by pledging legal title to his goods and chattels (**collateral and liens**) to the  
9 principal creditor as security for the loans incurred by a third party, the United States.

10  
11 **IV. THE “SPECIAL PURPOSE” OF THE ASSOCIATION.**

12 4 1 Therefore, upon information and belief and all of the above, the DEBTOR was created by  
13 the United States to act as a surety for her debts and to hold legal title in trust to property presumably  
14 pledged as collateral for her loans, thereby infringing on McMeel’s secured right to hold full title to  
15 property in *her given name*. Since only McMeel has earning power and the ability to create property but  
16 having never been directly paid for her labor, the DEBTOR was created to act as a conduit or mechanism  
17 by which a portion of McMeel’s earning power as “wages” (**form**) would be captured (prize) and  
18 transformed into “interest payments” (**substance**) by the receiver in bankruptcy to eventually hand off to  
19 the principal creditor. **Should any person dispute this claim, that person shall appear in Court and**  
20 **show cause which section of the Constitution compels McMeel to waive her secured right to**  
21 **extinguish debt and hold full title to her goods and chattels.**

22 4 2 This arrangement is patently unconstitutional and is grounds for damages and equitable relief  
23 due to the misrepresentations and coercion involved. As a direct result thereof, property was obtained  
24 from McMeel under false and deceptive pretenses which led to a reduction in the value of the estate and  
25 deprivation of property rights McMeel’s constitutionally secured right to extinguish debt and hold full  
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1 title to property has been specially infringed upon by this "legalized" racketeering operation. Not only  
2 was the value of the estate reduced thereby but it is being held in receivership by the principal creditor.  
3 Because the Association paid debts for the United States which it was not primarily liable for it is an  
4 involuntary surety. That makes each member of the Association a co-surety. Sureties have many rights,  
5 including the right of subrogation in equity which can be enforced in a court of equity

6 **V. THE RIGHTS OF SURETIES.**

7 5.1 On and for the record, neither McMeel nor the DEBTOR knowingly volunteered to be a  
8 surety for the debts of the United States or for any other person. If any person disputes this fact, they  
9 shall appear in Court and show cause with a contract or agreement containing McMeel's hand  
10 written signature evidencing the purported suretyship arrangement

11 5.2 Having discharged liability of the principal debtor United States via "federal income taxes"  
12 they were not primarily liable for McMeel and the DEBTOR are pre-petition co-sureties. See Annex-2  
13 which is a schedule of the amounts claimed. In addition, the Association is a pre-petition surety for all  
14 IRS tax lien bonds, King County property tax assessment bonds, the US District Court Case no 2-18-cv-  
15 00712-RSM; and post-petition surety for US Bankruptcy Court no 18-12259-TWD and no 18-01152-  
16 TWD. McMeel suspects there are other financial instruments the Association was used as surety for  
17 which requires orders from the Court to discover

18 5.3 Sureties have many rights which McMeel claims against principal debtor United States for  
19 having satisfied its obligation or any part of it, such as, right to give notice, right of exoneration, right of  
20 subrogation, right of indemnity, right to get securities and right to ask for reimbursement. McMeel gave  
21 pre-petition notice and demand in 2011 to United States for reimbursement of the unintended "gifts" plus  
22 interest, which was ignored. Pursuant to the right of indemnity, McMeel becomes an implied indemnity  
23 holder and can demand the court make United States answerable for all her sufferings. She can also  
24 demand the United States turn over all securities given to the principal creditor and any others which used  
25

1 her as a surety As the rightful owner to these securities, she claims the right of inspection which cannot  
2 be denied And finally, a surety who has paid or satisfied the United State's debt or obligation, is entitled  
3 to be subrogated to and have the benefit of all securities which may at any time have been put into the  
4 creditor's hands by the principal debtor, or that the creditor may have obtained from the principal debtor.  
5 By the fact of payment, McMeel becomes an equitable assignee of all such securities, and is entitled to  
6 have them assigned and delivered up to her by the creditor, in order that she may enforce them for her  
7 own reimbursement and exoneration If therefore, the creditor refuses to surrender up securities, the  
8 surety may maintain an equitable suit to compel their assignment and surrender McMeel claims the right  
9 of subrogation in equity which means that the Federal Reserve cannot, without her assent which she does  
10 not give, surrender, give up, release, or discharge any such securities, or render them in any way  
11 unavailable to McMeel, either by its own acts or omissions If it does so, CAROL L ENGEN'S liability  
12 is thereby discharged, wholly or partially, as the case may be McMeel noticed the Federal Reserve in  
13 2010 of the false presumption she agreed to act as surety for the United States and demanded  
14 reimbursement, receiving no response thereto Because the principal debtor refused to reimburse McMeel  
15 upon request, she has the right to request the principal creditor bring suit to recover the amount due which  
16 she did in August 2019, A D , receiving no response thereto. See Annex-3. Refusal to bring suit by the  
17 principal creditor results in exoneration of the surety who is no longer bound for any debts of the principal  
18 debtor **The Court is on notice that McMeel and her co-surety CAROL L ENGEN claim**  
19 **exoneration of any and all claims by any United States governmental unit due to neglect of the**  
20 **principal creditor, the Federal Reserve**

23 5 4 By alleging false capacity of *creditor* in relation to the alleged *debtor* CAROL L ENGEN  
24 and, by "association" McMeel, wrongdoers United States, the IRS and King County are engaged in a  
25 program of fraud and deceit in an attempt to separate McMeel from her rightful property and raid the  
26 estate, an abuse of the bankruptcy process which the Court is commercially and equitably bound to

1 prevent Claim 1-2 evidences extortion on the part of Nam Han, a Federal Reserve agent, an attempt to  
2 coerce McMeel into engaging with her as a co-conspirator by passing contraband to satisfy her claim; or,  
3 in other words, "If you agree to shred the Constitution, I won't take your property"

4 **VI. MANDATORY JUDICIAL NOTICE AND OFFER OF PROOF.**

5 1 The Court shall take judicial notice of the following documents and instruments annexed  
6 to this Proof of Claim and placed on the Record as an Offer of Proof relevant to and in support of  
7 McMeel's claims as follows

8 **ANNEX-1.** UCC1 Financing Statement (non-ucc filing) securing a claim (lien) against the  
9 DEBTOR's estate held in trust, See McMeel's Verified Claim of Interest (VCOI). McMeel, as  
10 the only one who provided Value via labor and credit (earning power) to the estate and purchased  
11 rights to all securities held thereby as an involuntary surety, claims a pre and post-petition  
12 perfected security interest in said property above and beyond any other claimant **The DEBTOR,**  
**a legal fiction, can only hold title by characteristic; McMeel, a private citizen, holds titles by**  
**nature and a title by nature extinguishes a title by characteristic in a court of equity.**

13 **ANNEX-2** Schedule of unintended gift transfers from the Association to the United States  
14 couched as "federal income taxes" tabulated for reimbursement, including interest charges for  
15 lost opportunities Amount claimed: \$206,162.00 principal gift amount; 12 % compound interest  
\$5,529 143 95, total \$5,735,305 90

16 **ANNEX-3** Copy of letter to Federal Reserve requesting they initiate suit against the United  
17 States to collect amounts due for reimbursement and declaration of Sam K Eck as third party  
mail receiver

18 **ANNEX-4** Evidence the Association was used as surety to bond IRS tax liens, King County  
19 property tax assessments and associated court cases.

20 **VII. DEMANDS.**

21 1 The right of subrogation in equity claimed by McMeel and the DEBTOR operates to  
22 substitute the Association for the principle creditor, the Federal Reserve, in relation to the principal debtor  
23 United States Upon this equitable substitution, the Association succeeds to the rights of the principal  
24 creditor That means the United States and all her governmental units, including all United States courts,  
25 are *debtors* in relation to the Association. Once again, thanks to Congress, CAROL L ENGEN has been  
26 intentionally mischaracterized in bankruptcy Furthermore, if the principal creditor is holding the estate  
27

in receivership as security for the principal debtor's loans (**substance**) then the statutory scheme enacted by (debtor) Congress which states that the (debtor) Court has constructive possession of the (creditor) DEBTOR's estate in bankruptcy (**form**) is in error and operates as unlawful conversion. The Court shall not make any attempt to dismiss this bankruptcy in order to escape its duties and responsibilities until all matters have been fully resolved with regards this claim

72 Upon all of the above McMeel demands the Court order all bonds referred to in Annex-4 be brought forward and put into evidence for inspection This is McMeel's right since she and the DEBTOR were used as sureties thereto, and also that she may enforce them for her and the DEBTOR's own reimbursement and exoneration.

7.2 McMeel reserves the right to submit other demands to the Court including a demand for a full accounting of all collateral and liens held by the principal creditor in the name of the DEBTOR.

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I hereby declare and certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct 28 U.S.C. § 1746(1)

DATED this 16<sup>th</sup> day of October, 2019 A.D., at the city of Bellevue, in the county of King, the Washington Republic

Carol Lynn McMeel  
L.S. Carol Lynn McMeel, In Full Life,  
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**CROSS-CLAIM SUPPLEMENT – PROOF OF CLAIM**  
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Carol Lynn McMeel  
16423 NE 15<sup>th</sup> St  
Bellevue, Washington [98008]  
United States of America

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**CERTIFICATE OF SERVICE**

I, Carol Lynn McMeel, hereby certify that on the 16<sup>th</sup> day of October, 2019 A.D I personally deposited in the mailbox of the United States Post Office located at 15731 NE 8<sup>th</sup> Street, Bellevue, Washington 98008 via first class mail pre-paid postage this "CROSS-CLAIM (Docket No. 72) SUPPLEMENT: PROOF OF CLAIM" addressed to the following persons

Administrative Office of the United States Courts  
One Columbus Circle, NE  
Washington, D.C. 20544

Yen Jeannette Tran  
Trial Attorney, Tax Division  
United States Dept of Justice  
P O Box 683  
Washington, D C 20044

Laurie Thornton  
Assistant US Trustee  
Office of the United States Trustee  
700 Stewart St #5103  
Seattle, WA 98101

Jason Wilson-Aguilar  
Chapter 13 Trustee  
600 University St #1300  
Seattle, WA 98101

  
L.S. Carol Lynn McMeel, In Full Life

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

|   |  |
|---|--|
| A NAME & PHONE OF CONTACT AT FILER (optional)<br>Carol McMeel 4255770677                            | Date of Filing : 09/30/2019                        |
| B E-MAIL CONTACT AT FILER (optional)  | Time of Filing : 11:22:00 AM                       |
| C SEND ACKNOWLEDGMENT TO (Name and Address)<br><br>n/a<br>16423 ne 15th st<br>Bellevue WA USA 98008 | File Number : 2019-273-7583-1<br>Lapse Date : NONE |

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S NAME Provide only one Debtor name (1a or 1b) (use exact, full name, do not omit, modify or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

|   |                      |                               |                             |
|---|----------------------|-------------------------------|-----------------------------|
| 1a ORGANIZATION'S NAME<br><b>CAROL L ENGEN</b>  | OR                   |                               |                             |
| 1b INDIVIDUAL'S SURNAME   | FIRST PERSONAL NAME  | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |
| 1c MAILING ADDRESS<br><b>401 Federal Street</b>   | CITY<br><b>DOVER</b> | STATE<br><b>DE</b>            | POSTAL CODE<br><b>19901</b> |
| COUNTRY<br><b>USA</b>   |                      |                               |                             |
| 2 DEBTOR'S NAME Provide only one Debtor name (2a or 2b) (use exact, full name, do not omit, modify or abbreviate any part of the Debtor's name), if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here <input type="checkbox"/> and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad) |                      |                               |                             |
| 2a ORGANIZATION'S NAME  | OR                   |                               |                             |
| 2b INDIVIDUAL'S SURNAME   | FIRST PERSONAL NAME  | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |
| 2c MAILING ADDRESS  | CITY                 | STATE                         | POSTAL CODE                 |
| COUNTRY   |                      |                               |                             |

|   |                                     |                               |                             |
|---|-------------------------------------|-------------------------------|-----------------------------|
| 3 SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY) Provide only one Secured Party name (3a or 3b) | OR                                  |                               |                             |
| 3a ORGANIZATION'S NAME  |                                     |                               |                             |
| 3b INDIVIDUAL'S SURNAME<br><b>McMeel</b>  | FIRST PERSONAL NAME<br><b>Carol</b> | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX                      |
| 3c MAILING ADDRESS<br><b>16423 ne 15th st</b>   | CITY<br><b>Bellevue</b>             | STATE<br><b>WA</b>            | POSTAL CODE<br><b>98008</b> |
| COUNTRY<br><b>USA</b>   |                                     |                               |                             |

4 COLLATERAL This financing statement covers the following collateral

Perfected security interest in all goods and chattels, tangible or intangible, held by the Debtor, whether recorded or unrecorded, including securities, accessions and notes.

(Reference: King County records Nos. 20190617000766; 20190718000248)

**ANNEX - 1**

|   |   |
|---|---|
| 5 Check only if applicable and check only one box Collateral is <input checked="" type="checkbox"/> held in a Trust (see UCC1Ad Item 17 and Instructions)                         | <input type="checkbox"/> being administered by a Decedent's Personal Representative           |
| 6a Check only if applicable and check only one box  | 6b Check only if applicable and check only one box  |
| <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input checked="" type="checkbox"/> A Debtor is a Transmitting Utility | <input type="checkbox"/> Agricultural Lien <input checked="" type="checkbox"/> Non-UCC Filing |
| 7 ALTERNATIVE DESIGNATION (if applicable) <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer               | <input checked="" type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor  |
| 8 OPTIONAL FILER REFERENCE DATA   |   |

## CLAIM FOR REIMBURSEMENT OF COMPELLED INTEREST PAYMENTS

| TAX PERIOD | 1040 "TAX"<br>COMPELLED<br>INTEREST<br>PAYMENT <sup>1</sup> | 12 % INTEREST <sup>2</sup> | NO. OF<br>YEARS | TOTAL DUE FOR<br>TAX PERIOD |
|------------|---|----------------------------|-----------------|-----------------------------|
| 1968       | \$55.00   | \$15,895.12                | 51              | \$15,950.12                 |
| 1969       | \$105.00  | \$30,345.23                | 50              | \$30,450.23                 |
| 1970       | \$182.00  | \$46,962.86                | 49              | \$47,144.86                 |
| 1971       | \$75.00   | \$17,279.31                | 48              | \$17,354.31                 |
| 1973       | \$64.00   | \$11,754.63                | 46              | \$11,818.63                 |
| 1974       | \$228.00  | \$37,389.17                | 45              | \$37,617.17                 |
| 1975       | \$165.00  | \$24,158.89                | 44              | \$24,323.89                 |
| 1976       | \$498.00  | \$65,103.50                | 43              | \$65,601.50                 |
| 1977       | \$64.00   | \$7,470.28                 | 42              | \$7,534.28                  |
| 1978       | \$1,368.00  | \$142,568.97               | 41              | \$143,936.97                |
| 1979       | \$3,356.00  | \$312,279.06               | 40              | \$315,635.06                |
| 1980       | \$4,000.00  | \$332,324.89               | 39              | \$336,324.89                |
| 1981       | \$3,000.00  | \$222,538.99               | 38              | \$225,538.99                |
| 1982       | \$4,000.00  | \$264,927.37               | 37              | \$268,927.37                |
| 1983       | \$4,000.00  | \$236,542.30               | 36              | \$240,542.30                |
| 1984       | \$2,578.00  | \$136,117.42               | 35              | \$138,695.42                |
| 1985       | \$7,468.00  | \$352,060.32               | 34              | \$359,528.32                |
| 1986       | \$8,153.00  | \$343,172.27               | 33              | \$351,325.27                |
| 1987       | \$9,630.00  | \$361,912.02               | 32              | \$371,542.02                |
| 1988       | \$8,194.00  | \$274,950.59               | 31              | \$283,144.59                |
| 1989       | \$9,368.00  | \$280,664.55               | 30              | \$290,032.55                |
| 1990       | \$8,549.00  | \$228,685.16               | 29              | \$237,234.16                |
| 1991       | \$11,649.00   | \$278,223.16               | 28              | \$289,872.16                |
| 1992       | \$12,475.00   | \$266,027.89               | 27              | \$278,502.89                |
| 1993       | \$7,214.00  | \$137,355.08               | 26              | \$144,569.08                |

ANNEX - 2 (1)

## CLAIM FOR REIMBURSEMENT OF COMPELLED INTEREST PAYMENTS

| TAX PERIOD   | 1040 "TAX" COMPELLED INTEREST PAYMENT <sup>1</sup> | 12 % INTEREST <sup>2</sup> | NO. OF YEARS | TOTAL DUE FOR TAX PERIOD |
|--------------|--|----------------------------|--------------|--------------------------|
| 1994         | \$12,114.00  | \$205,938.78               | 25           | \$218,052.78             |
| 1995         | \$7,250.00   | \$110,045.06               | 24           | \$117,295.06             |
| 1996         | \$9,291.00   | \$125,914.86               | 23           | \$135,205.86             |
| 1997         | \$10,099.00  | \$122,201.03               | 22           | \$132,300.03             |
| 1998         | \$13,545.00  | \$146,338.12               | 21           | \$159,883.12             |
| 1999         | \$8,120.00   | \$78,327.90                | 20           | \$86,447.90              |
| 2000         | \$14,195.00  | \$122,258.15               | 19           | \$136,453.15             |
| 2001         | \$24,353.00  | \$187,273.74               | 18           | \$211,626.74             |
| 2002         | \$400.00   | \$2,746.42                 | 17           | \$3,146.42               |
| 2007         | \$357.00   | \$1,390.86                 | 12           | \$1,747.86               |
| <b>TOTAL</b> | <b>\$206,162.00</b>                                | <b>5,529,143.95</b>        |              | <b>\$5,735,305.90</b>    |

<sup>1</sup>Best estimate in some cases<sup>2</sup>State of Washington RCW 19.52.020 12% max interest rate per annum

ANNEX-2 (2)

Carol Lynn Engen  
c/o Law Offices of Sam Eck  
40 Lake Bellevue - Suite 100  
Bellevue, Washington 98005

To: Board of Governors of the Federal Reserve System Cert. Mail 7011 3500 0000 7633 1122  
20th Street and Constitution Ave NW  
Washington, DC 20551

cc: William P. Barr, Attorney General  
U S. Department of Justice  
950 Pennsylvania Ave, NW  
Washington, D C 20530-0001

Steven T. Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Ave , NW  
Washington, D C 20220

Wilbur L. Ross Jr.  
Secretary of Commerce  
1401 Constitution Ave , NW  
Washington, D.C. 20230

att: Verified Claim of Interest; Diagram

**NOTICE AND REQUEST TO INITIATE SUIT AGAINST UNITED STATES**

Greetings Federal Reserve Board of Governors

I doubt if you remember me since it has been eight years since I lodged a claim against the Federal Reserve Board of Governors (April 2010) I was premature in approaching you because I was not aware of all the ramifications of the relationships involved. Technically, as I understand it now, I was required to bring the claim for reimbursement directly against the United States first. This I did the following year, 2011, the final notice sent out in November. The United States did not respond to my claim. It is a fact I have been compelled against my will to act as surety for the debts of United States in relation to you, the principal creditor. When I brought this to your attention, you also ignored me. Now that my claim has properly been presented to the United States and subsequently refused, in capacity of surety who has paid the debts of the United States for decades, I am requesting you, as principal creditor, sue United States forthwith to recover what they owe me. Sureties have the right to reimbursement.

The impetus for this request started in May of 2018 as a result of the United States, in the person of the IRS, suing my co-surety CAROL L ENGEN in a US District Court to collect delinquent "taxes" and "penalties" by foreclosing on my home. I subsequently transferred the matter to the bankruptcy unit of the district court via a Chapter 13 petition and obtained a stay in the district court. That is where the matter is at today.

Since the United States conducts its affairs strictly using negotiable instruments borrowed from you, it has lost the sovereign capacity to collect internal revenue taxes (Clearfield Doctrine). That is why Congress in various

NOTICE OF REQUEST FOR SUIT

Page 1 of 2

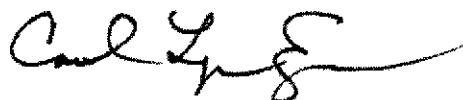
**ANNEX-3 (1)**

and sundry statutes provides that all alleged federal income, estate and gift "taxes" transferred to the United States are accepted by the United States as *gifts or bequests*, not involuntary contributions due a sovereign for the support of the government. Congress and the Secretary of the Treasury have informed me that my credit and assets (hypothecations) provide the collateral for the loans you provide to the United States. All of my tax payments provide the contributions or interest payments the United States owes you on the loans. See my attached Verified Claim of Interest which is notice that I did not volunteer to be a surety for these debts. As an involuntary surety I have the right to reimbursement and, in the absence of that, exoneration. That is where you come in. Furthermore, as a subrogee, who under compulsion and not being primarily liable has discharged debts of the United States, I am substituted in your place as the principal creditor. By paying these debts, I have purchased the same rights you have against the United States. By succeeding to your rights to collect the debt, I am entitled to all the collateral and liens which you are holding as security.

Congress has provided a mechanism for sureties to claim offset against any governmental unit that waives sovereign immunity upon filing of a proof of claim in bankruptcy. In order to claim the offset, I need a full accounting of the collateral and liens you hold on my behalf as your assignee against this governmental unit. Pursuant to my rights as a subrogee, I request you provide me at once with a full accounting of all the collateral and liens which you hold as security resulting from *my* contributions, transfers, hypothecation and pledges in capacity as surety for the loans you provided to the United States.

I understand that good faith is required between the debtor (US) and creditor (Fed Res) and sureties (me). Both of you have acted in bad faith with regards to me. You can rectify that by assuming your responsibilities and duties to me, the one who has unknowingly pledged all her credit and assets to back the loans, by suing the United States at once on my behalf. If you refuse to sue the United States to recover what they owe me I will consider myself no longer bound as surety and the alleged debt claimed by the United States will be discharged. Since it has been *eight years* since you received my original claim, I think it is reasonable that you bring suit against the United States within ten days of receipt of this request. Please notify me within that time frame as to your intentions. If I do not receive a response from you within that time frame, I will assume you are refusing both my request to initiate suit against the United States and provide with me the accounting of the collateral and liens. I will then notify the Court of your refusal to comply and move for exoneration.

Sincerely,



ps In order to make a point in the bankruptcy case I was forced to cross claim against the co-surety "debtor" CAROL L ENGEN by using the name my parents gave me, Carol Lynn McMeel, in order to separate myself from the legal fiction(s) created by STATE OF WASHINGTON (birth certificate) and UNITED STATES (social security) used to deceive me into this suretyship.

# USPS Tracking®

FAQs > (<https://www.usps.com/faqs/usptracking-faqs.htm>)

**Track Another Package +**

**Tracking Number:** 70113500000076331122

**Remove X**

Your item was delivered at 8:51 am on August 19, 2019 in WASHINGTON, DC 20551.

## Delivered

August 19, 2019 at 8:51 am  
Delivered  
WASHINGTON, DC 20551

**Get Updates** ▾

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**Text & Email Updates** ▾

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**Tracking History** ▾

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**Product Information** ▾

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**See Less** ^

## Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

**ANNEX-3 (3)**

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Judge Timothy Dore  
Chapter 13

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:

CAROL ENGEN

Debtor

NO 18-12259

DECLARATION OF SAM K ECK

COMES NOW Sam K Eck, under penalty of perjury of the laws of the State of Washington, and state and declare as follows:

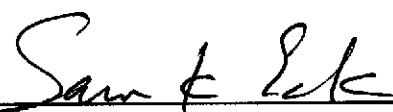
1. That I am an attorney licensed to practice law in the State of Washington, that I have represented Carol Engen in unrelated matters in the past.

3. That Carol Engen asked if she could use my office as the mailing address for a return receipt attached to a certified letter that she was planning to send to the Federal Reserve. She wanted to use me as an impartial third party in the matter.

4. That I received the green return receipt from the US Post Office in the mail. A copy of the receipt is attached hereto and incorporated herein as though fully set forth.

6. That I have not received any response to the letter from the Federal Reserve or any other third party concerning the matter set forth in the letter.

DATED THIS 7<sup>th</sup> day of October, 2019, at Bellevue, Washington.

  
Sam K Eck

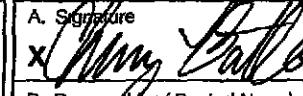
ANNEX-3 (4)

SAM K ECK  
ATTORNEY AT LAW  
40 Lake Bellevue Drive, Suite 100  
Bellevue, WA 98005-2480  
(425) 827-6621

**EXHIBIT A**

|  |  |   |  |
|--|--|---|--|
| <b>SENDER: COMPLETE THIS SECTION</b>   |  | <b>COMPLETE THIS SECTION ON DELIVERY</b>  |  |
| <ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired</li> <li>■ Print your name and address on the reverse so that we can return the card to you</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> |  | A. Signature<br><br><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee<br>B. Received by (Printed Name)      C. Date of Delivery<br><b>8-20-19</b><br>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br>If YES, enter delivery address below: <input type="checkbox"/> No<br><b>NOTICE AND REQUEST TO<br/>INITIATE SUIT AGAINST<br/>UNITED STATES</b> |  |
| 1 Article Addressed to<br><b>BOARD OF GOVERNORS<br/>FEDERAL RESERVE<br/>SYSTEM</b><br><b>20 St. and<br/>CONSTITUTION Ave. N.W.<br/>WASHINGTON, D.C. 20551</b>  |  | 3 Service Type<br><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise<br><input type="checkbox"/> Insured Mail <input type="checkbox"/> COD<br>4 Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes  |  |
| 2 Article Number<br>(Transfer from service label) <b>7011 3500 0000 7633 1122</b>  |  |   |  |

PS Form 3811, February 2004      Domestic Return Receipt      500095-02-M-1540

|   |  |   |  |
|---|--|---|--|
| <b>SENDER: COMPLETE THIS SECTION</b>  |  | <b>COMPLETE THIS SECTION ON DELIVERY</b>  |  |
| <ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired</li> <li>■ Print your name and address on the reverse so that we can return the card to you</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits</li> </ul> |  | A. Signature<br><br><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee<br>B. Received by (Printed Name)      C. Date of Delivery<br><b>8-20-19</b><br>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br>If YES, enter delivery address below: <input type="checkbox"/> No<br><b>NOTICE AND REQUEST TO<br/>INITIATE SUIT AGAINST<br/>UNITED STATES</b> |  |
| 1 Article Addressed to<br><b>BOARD OF GOVERNORS<br/>FEDERAL RESERVE<br/>SYSTEM</b><br><b>20 St. and<br/>CONSTITUTION Ave. N.W.<br/>WASHINGTON, D.C. 20551</b>   |  | 3 Service Type<br><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise<br><input type="checkbox"/> Insured Mail <input type="checkbox"/> COD<br>4 Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes  |  |
| 2 Article Number<br>(Transfer from service label) <b>7011 3500 0000 7633 1122</b>   |  |   |  |

PS Form 3811, February 2004      Domestic Return Receipt      500095-02-M-1540

**ANNEX-3 (S)**

**SAM K ECK**

ATTORNEY AT LAW  
 40 Lake Bellevue Drive, Suite 100  
 Bellevue, WA 98005-2480  
 (425) 827-6621